

# MEMORANDUM

**Date:** February 14, 2006  
**To:** All Interested Parties  
**From:** Katrina M. Johantgen, Executive Director  
**Subject:** State Charter School Facilities Incentive Grants Program  
Frequently Asked Questions

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This memo is being provided to school representatives who plan to submit an application for the second funding round of the State Charter School Facilities Incentive Grants Program. This information is also posted on the Authority's web site ([www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa)). If you have any questions or require additional information, do not hesitate to contact the Authority by e-mail at [csfa@treasurer.ca.gov](mailto:csfa@treasurer.ca.gov), or by telephone to either office at (916) 651-7710 or (213) 620-4467.

***Q: Which California charter schools will be eligible for this grant program?***

**A:** Any charter school will be eligible for this grant program if all of the following conditions apply (Cal. Code Regs., Tit. 4, §10177):

- a) An approved charter has been awarded and is in place and current at the time of application.
- b) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time of application submission.
- c) The charter school has completed at least one school year of instructional operations.
- d) The charter school has not been awarded an apportionment through the State's Charter School Facilities Program.
- e) The charter school is not a current recipient of funding through this article.
- f) At least eighty percent (80%) of the instructional time offered by the charter school shall be at the school site, and the charter school shall attain an average daily attendance rate of at least eighty percent (80%) based on the school's most recent CBEDS report.
- g) The charter school is established pursuant to Education Code section 47600, et seq., and also meets the federal definition of charter school as defined in section 5210(1) of the Elementary and Secondary Education Act of 1965 (20 USCA section 7221(i)), as amended by the No Child Left Behind Act of 2001.
- h) The charter school admits students by lottery in the event more students want to attend the school than the school can accommodate.

***Q: What type of information should an applicant submit with its application to demonstrate that it is in good standing with its chartering entity, and in compliance with the terms of its charter?***

A: Aside from a copy of its current charter, an applicant does not need to submit anything from its chartering entity. Authority staff will seek verification that an applicant is in good standing and in compliance with the terms of its charter directly from the chartering entity.

***Q: Does an applicant (charter school) need to have a 501(c)(3) letter from the Internal Revenue Service to receive the twenty preference points?***

A: No. Pursuant to section 10182 of Title 4, California Code of Regulations, the school or entity operating the charter school must meet the definition of a nonprofit entity to receive the twenty preference points. If a school is operated by a nonprofit public benefit corporation, but does not have 501(c)(3) letter from the Internal Revenue Service, the applicant can provide a copy of the entity's letter from the California Secretary of State that reflects its nonprofit status.

***Q: Will schools be eligible to apply for funding from both the state's charter school facilities program (SB 740) and this program?***

A: Charter schools may apply for both programs because SB 740 will be providing grant funds toward a charter school's lease costs incurred during a prior school year, while the State Charter School Facilities Incentive Grants Program will be targeting costs to be incurred in a future school year.

Charter schools that receive grant funds authorized under either of these two programs should be aware that they may not receive funding in excess of 75 percent of annual lease costs through either program, or in combination with either program, for any one school year.

***Q: Who is responsible for determining the amount of low-income preference points (section 10182 of program regulations) that each school receives?***

A: The low-income preference points will be based on the Free & Reduced Price Meals percentage, as provided by the California Department of Education (CDE). Authority staff will access this information directly from CDE's web site.

***Q: Who is responsible for determining the amount of overcrowded preference points that each school receives?***

A: The overcrowded preference points will be based on current information on file with the Office of Public School Construction for the school district where each charter school is physically located. If current information is not available, the school will not receive any preference points for this category.

***Q: What if I miss the March 1, 2006 deadline to submit an application?***

A: Due to the short time frame for this funding round, all applications must be received no later than March 1, 2006. Subsequent funding rounds (commencing in 2007 and ending in

2009) will take place annually with the date for the funding rounds being posted on the Authority's web site in January of each year.

***Q: How can an applicant determine its maximum grant amount?***

A: The maximum annual grant award is based on a "lesser of the two" calculation.

Calculation 1) Authority staff will verify the number of students using the enrollment data provided by CDE and multiply that figure by the per-pupil grant amount of \$750 for lease or rent, or \$1,000 for purchase or construction.

Calculation 2) This calculation will be based on 75 percent of a school's annual facilities costs.

Grant Amount: The maximum annual eligible grant award will be the lesser of the two aforementioned calculations.

For example, if the school's enrollment is 200, then the calculation for lease or rent based on enrollment would be \$150,000 (200 x \$750). Additionally, if the school's annual lease or rent is \$50,000, then the calculation based on costs would be \$37,500 (\$50,000 x 75%). The lesser of the two calculations would be \$37,500, and the school would be eligible to receive an annual award of the \$37,500 (lesser of the two).

***Q: Will schools that receive funding through this program for construction or renovation projects be required to comply with Davis-Bacon wage levels?***

A: Yes. The Davis-Bacon Act requires that any federally funded or assisted construction project (charter school facility) pay prevailing wages (if the contract exceeds \$2,000).

***Q: Should the application be mailed to the Sacramento or the Los Angeles address?***

A: The applications should be mailed to the Authority's office in Sacramento at:

California School Finance Authority  
915 Capitol Mall, Room 576  
Sacramento, CA 95814

Applications are due by March 1, 2006, which means they must be received by the Authority no later than Wednesday, March 1, 2006. You may wish to use a mailing service that provides overnight delivery and tracking services. Please do not hand-deliver your application.

As a reminder, pursuant to section 10183(a), applications with the earliest mailing date will be given preference in the event that more than one application has the same overall score

and the same ranking after application of the tie-breaker method described in section 10183.

***Q: Will charter schools that receive these federal funds for a construction project be required to comply with federal requirements, such as the National Environmental Protection Act (NEPA)?***

**A:** For the purposes of this grant program, all charter schools that receive an award of these grant funds will be required to meet all applicable federal, state, and local health and safety requirements.

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